



STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
AND
OFFICE OF PENSIONS
MCARDLE BUILDING
860 SILVER LAKE BLVD., SUITE 1
DOVER, DE 19904-2402

When Calling Long Distance
Toll Free Number 1-800-722-7300
E-mail: pensionoffice@delaware.gov

Telephone (302) 739-4208
FAX # (302) 739-6129
www.delawarepensions.com

BOARD OF PENSION TRUSTEES
MEETING MINUTES OF JULY 30, 2021

The meeting of the Board of Pension Trustees was called to order by Suzanne Grant, Chair, at 9:01 a.m. via-video and tele-conferencing.

Trustees Present

Suzanne Grant
Art Agra
Harold Stafford
Nancy Shevock
Rick Geisenberger
Cerron Cade
Tom Shaw

Trustees Absent

Others Present

Joanna Adams, Pension Administrator
Jodie Wedel, Deputy Pension Administrator
Ann Marie Johnson, Deputy Attorney General
Ryan Connell, Deputy Attorney General
Jamie Mayan, Pension Office
Josh Hitchens, Pension Office
Khairat Makanjuola, Pension Office
Stephenie Tatman, Pension Office
Cindy Starr, Pension Office
Rob Gooderham, Windmark
Garry Musto, Windmark
Rowen Descallar, Pageant Media

1. OPENING COMMENTS

S. Grant welcomed everyone to the meeting.

2. APPROVAL OF THE MINUTES

Ms. Adams stated the minutes could not be approved because the newest version was not available for review prior to the meeting. They will be reviewed and approved next meeting.

3. AUDIT COMMITTEE UPDATE

H. Stafford reported the Audit Committee met on July 23rd. Jim Burke is retiring from the Audit Committee and congratulated him on his exemplary service on the Audit Committee and appreciated that he will continue to serve on the Governance Committee.

He also reported the Audit Committee has approved the FY22 Audit Plan that Stephenie will provide. He also stated the Audit Committee has recommended to the board to approve to extend the KPMG contract for two years with the option to extend for two additional years at an annual cost not to exceed \$40,000. Next Audit meeting is November 5th.

4. GOVERNANCE COMMITTEE UPDATE

Next meeting August 18th.

5. PENSION ADVISORY COUNCIL UPDATE

Nothing to report.

6. PENSION ADMINISTRATOR UPDATE

Employee Recognition

Ms. Adams reported the payroll and health benefits groups worked extra hours to complete the July check write on time. This was the first-time running Post Retirement Increase in six years. It took five days to reconcile the July payroll. Ms. Adams also noted the dedication of the Pension Office employees dealing with personal issues, yet they are still concerned and committed to getting their work done. In addition, Pension Administration staff have a jump start on August payroll.

Positions

Ms. Adams reported six positions have been approved for hire and we will be making offers. The positions include four Human Resources Specialist I positions (one of the four is a Limited Term), a Human Resources Specialist III for the Health Benefits section and an HRIS III. This will leave three positions vacant. The Office Manager position should be posted next week.

Office Activities

Ms. Adams discussed a snapshot of quarterly Pension Office Activities. Calls are up due to open enrollment and the State has changed prescription vendor which has generated many calls. Over 500 members attended pre-retirement workshops and internet traffic has increased significantly.

Reporting Schedule

Ms. Adams stated that nothing has changed, but the meeting dates have been updated.

Legislation

No changes, we are processing Post Retirement Increases for members.

7. DEPUTY ATTORNEY GENERAL UPDATE

Nothing to report

8. INVESTMENT COMMITTEE UPDATE

Mr. Gooderham reported that global equity markets moved higher in June, led by gains for US stocks. Markets continued to be broadly supported by strong economic growth momentum and ongoing vaccine rollouts, though inflation concerns weighed on market sentiment at times. The broad US equity market, as measured by the Russell 3000 index, gained 2.5%. Within US equities, growth outperformed value stocks and large cap outpaced small cap. Developed international equities moved higher in local terms, but a stronger US dollar led to a 1.1% loss for the MSCI EAFE index in US dollar terms. Emerging Market stocks moved slightly higher as the MSCI Emerging Markets index was up 0.2% for the month. In fixed income markets, yields moved lower (prices higher) and credit spreads narrowed, resulting in a 0.7% return for the Bloomberg Barclays Universal bond index, while the more credit-sensitive Bloomberg Barclays High Yield index gained 1.3%

Mr. Gooderham reported that DPERS Fund assets are estimated to be \$14,648.4 million at June 30th, 2021, representing a net increase of \$139.5 million during the month. Estimated returns through June 30th, 2021 are as follows:

	Month Ended 06-30-21	Quarter Ended 06-30-21	Calendar YTD 06-30-21	Fiscal Year 06-30-21
Total Fund	1.2	8.0	15.4	38.4
DPERS Policy Benchmark**	1.2	5.7	8.6	25.8
S&P 500 Index	2.3	8.5	15.3	40.8

** Benchmark mix: 46% Russell 3000 Index, 24% MSCI ACWI ex US IMI (Net), 27.0% BB Universal Bond Index, 3% T-bills
 12/01/20 – 02/28/21: 43% Russell 3000 Index, 23% MSCI ACWI ex US IMI (Net), 31.0% BB Universal Bond Index, 3% T-bills
 09/01/20 - 11/30/20: 40% Russell 3000 Index, 22% MSCI ACWI ex US IMI (Net), 35.0% BB Universal Bond Index, 3% T-bills
 Prior to 8/31/20: 38% Russell 3000 Index, 20% MSCI ACWI ex US(Net), 39.0% BB Universal Bond Index, 3% T-bills
 Prior year: 38/20/40/s

Mr. Gooderham reported that the Committee had met on July 13th. At that the meeting, the Committee reviewed and discussed:

- A presentation on Peer Universe Comparisons
- A presentation by T. Rowe Price on their Asia Opportunities Strategy
- Private Investments March 31st Quarterly Update
- A follow up on Global Growth Managers

The next meeting of the Committee is scheduled for Tuesday, August 17th, 2021.

MOTION made by H. Stafford and seconded by A. Agra to enter into Executive Session to consider pension personnel matters, confidential medical records, legal matters, sensitive commercial trade secrets and confidential financial information.

MOTION ADOPTED UNANIMOUSLY

The Board then moved into Executive Session to discuss pending personnel matters, confidential medical records, legal matters, sensitive commercial information, proprietary business information, trade secrets and confidential financial information.

MOTION made by A. Agra and seconded by T. Shaw to exit Executive Session.

MOTION ADOPTED UNANIMOUSLY

MOTION made by A. Agra and seconded by H. Stafford to approve the regulations as posted in June for final Posting.

MOTION ADOPTED UNANIMOUSLY

9. **NEW BUSINESS**

There was no new business.

10. **ADJOURNMENT**

At 10:13 a.m., there being no further business, **MOTION** was made by H. Stafford and seconded by A. Agra to adjourn the meeting.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,

Joanna M. Adams
Joanna M. Adams (Oct 19, 2021 14:54 EDT)

Joanna M. Adams
Pension Administrator

Suzanne B. Grant
Suzanne B. Grant (Nov 3, 2021 20:34 EDT)

Suzanne B. Grant, Chair
Board of Pension Trustees